



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0053	Title:	Revise laws regarding transportation of loose material
Primary Sponsor:	Washburn, Ted	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
State Special Revenue	\$1,391,517	\$0	\$0	\$0
Proprietary Fund	\$1,391,517	\$0	\$0	\$0
Revenue:				
State Special Revenue	\$0	\$0	\$0	\$0
Proprietary Fund	\$1,391,517	\$0	\$0	\$0
Net Impact-General Fund Balance	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Description of fiscal impact: There will be a fiscal impact to the Maintenance and Equipment Programs at the Montana Department of Transportation (MDT) as vehicles are modified to comply with the bill. The Equipment Program will initially show this expense in its operating budget paid from its proprietary fund and will build this additional cost into its FY 2010 rental rates. The majority of the changes are on vehicles assigned to the Maintenance Program; therefore, the Maintenance Program will ultimately pay for the majority of these costs with state special revenue through its rental of the equipment in FY 2010.

FISCAL ANALYSIS

Assumptions:

Department of Transportation

1. The labor and material cost to install spring-loaded tarping systems on all heavy duty, medium duty, and sanding equipment would be \$1,386,377.
2. The cost to install a tarping system on the light duty vehicles (1/2T – 3/4T) assigned to the maintenance program only would be \$5,140.
3. The initial operating expenses will be incurred in the Equipment program to purchase and install these tarps. The department operates an equipment rental program that charges rental rates to other programs within the department for equipment. These costs will be built into the FY 2010 equipment rental rates.

The Maintenance program is the primary user of the modified equipment and will see increased rental rates in FY 2010 to recover the costs of the modifications. The rental rates will be paid from the Maintenance program from the state special revenue fund and received in the Equipment program in the proprietary fund.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses (rental rt	\$1,391,517	\$0	\$0	\$0
Equipment	<u>\$1,391,517</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Expenditures	<u><u>\$2,783,034</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$1,391,517	\$0	\$0	\$0
Proprietary Fund (060)	<u>\$1,391,517</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Funding of Exp.	<u><u>\$2,783,034</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u>Revenues:</u>				
State Special Revenue (02)	\$0	\$0	\$0	\$0
Proprietary Fund (060)	<u>\$1,391,517</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Revenues	<u><u>\$1,391,517</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	(\$1,391,517)	\$0	\$0	\$0
Proprietary Fund (06)	\$0	\$0	\$0	\$0

Sponsor's Initials

Date

Budget Director's Initials

Date